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APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
09/846,880	05/01/2001	Robert Harada	3013/21	5913
7590	04/11/2005		EXAMINER	
John G. Bisbikis McDermon, Will & Emery 227 W. Monroe Street Chicago, IL 60606-5096			DASS, HARISH T	
			ART UNIT	PAPER NUMBER
			3628	

DATE MAILED: 04/11/2005

Please find below and/or attached an Office communication concerning this application or proceeding.

Office Action Summary

Application No.	09/846,880	
Examiner	HARADA ET AL.	
Harish T Dass	Art Unit 3628	

-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --

Period for Reply

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE 3 MONTH(S) FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If the period for reply specified above is less than thirty (30) days, a reply within the statutory minimum of thirty (30) days will be considered timely.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133). Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

Status

- 1) Responsive to communication(s) filed on 01 May 2001.
2a) This action is FINAL. 2b) This action is non-final.
3) Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

Disposition of Claims

- 4) Claim(s) 1-28 is/are pending in the application.
4a) Of the above claim(s) _____ is/are withdrawn from consideration.
5) Claim(s) _____ is/are allowed.
6) Claim(s) 1-28 is/are rejected.
7) Claim(s) _____ is/are objected to.
8) Claim(s) _____ are subject to restriction and/or election requirement.

Application Papers

- 9) The specification is objected to by the Examiner.
10) The drawing(s) filed on _____ is/are: a) accepted or b) objected to by the Examiner.
Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).
Replacement drawing sheet(s) including the correction is required if the drawing(s) is objected to. See 37 CFR 1.121(d).
11) The oath or declaration is objected to by the Examiner. Note the attached Office Action or form PTO-152.

Priority under 35 U.S.C. § 119

- 12) Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).
a) All b) Some * c) None of:
1. Certified copies of the priority documents have been received.
2. Certified copies of the priority documents have been received in Application No. _____.
3. Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).

* See the attached detailed Office action for a list of the certified copies not received.

Attachment(s)

- 1) Notice of References Cited (PTO-892)
2) Notice of Draftsperson's Patent Drawing Review (PTO-948)
3) Information Disclosure Statement(s) (PTO-1449 or PTO/SB/08)
Paper No(s)/Mail Date 1/16/02, 8/22/01.
- 4) Interview Summary (PTO-413)
Paper No(s)/Mail Date. _____.
5) Notice of Informal Patent Application (PTO-152)
6) Other: _____.

DETAILED ACTION

Claim Rejections - 35 USC § 101

1. 35 U.S.C. 101 reads as follows:

Whoever invents or discovers any new and useful process, machine, manufacture, or composition of matter, or any new and useful improvement thereof, may obtain a patent therefor, subject to the conditions and requirements of this title.

Claims 1-6, 8-9, 12-19, 21 are rejected under 35 U.S.C. 101 because the claimed invention is directed to non-statutory subject matter.

As an initial matter, the United States Constitution under Art. I, §8, cl. 8 gave Congress the power to "[p]romote the progress of science and useful arts, by securing for limited times to authors and inventors the exclusive right to their respective writings and discoveries". In carrying out this power, Congress authorized under 35 U.S.C. §101 a grant of a patent to "[w]hoever invents or discovers any new and useful process, machine, manufacture, or composition or matter, or any new and useful improvement thereof." Therefore, a fundamental premise is that a patent is a statutorily created vehicle for Congress to confer an exclusive right to the inventors for "inventions" that promote the progress of "science and the useful arts". The phrase "technological arts" has been created and used by the courts to offer another view of the term "useful arts". See *In re Musgrave*, 167 USPQ (BNA) 280 (CCPA 1970). Hence, the first test of whether an invention is eligible for a patent is to determine if the invention is within the "technological arts".

Further, despite the express language of §101, several judicially created exceptions have been established to exclude certain subject matter as being patentable subject matter covered by §101. These exceptions include "laws of nature", "natural

phenomena", and "abstract ideas". See *Diamond v. Diehr*, 450, U.S. 175, 185, 209 USPQ (BNA) 1, 7 (1981). However, courts have found that even if an invention incorporates abstract ideas, such as mathematical algorithms, the invention may nevertheless be statutory subject matter if the invention as a whole produces a "useful, concrete and tangible result." See *State Street Bank & Trust Co. v. Signature Financial Group, Inc.* 149 F.3d 1368, 1973, 47 USPQ2d (BNA) 1596 (Fed. Cir. 1998).

This "two prong" test was evident when the Court of Customs and Patent Appeals (CCPA) decided an appeal from the Board of Patent Appeals and Interferences (BPAI). See *In re Toma*, 197 USPQ (BNA) 852 (CCPA 1978). In *Toma*, the court held that the recited mathematical algorithm did not render the claim as a whole non-statutory using the Freeman-Walter-Abele test as applied to *Gottschalk v. Benson*, 409 U.S. 63, 175 USPQ (BNA) 673 (1972). Additionally, the court decided separately on the issue of the "technological arts". The court developed a "technological arts" analysis:

The "technological" or "useful" arts inquiry must focus on whether the claimed subject matter...is statutory, not on whether the product of the claimed subject matter...is statutory, not on whether the prior art which the claimed subject matter purports to replace...is statutory, and not on whether the claimed subject matter is presently perceived to be an improvement over the prior art, e.g., whether it "enhances" the operation of a machine. *In re Toma* at 857.

In *Toma*, the claimed invention was a computer program for translating a source human language (e.g., Russian) into a target human language (e.g., English). The court found that the claimed computer implemented process was within the

"technological art" because the claimed invention was an operation being performed by a computer within a computer.

The decision in *State Street Bank & Trust Co. v. Signature Financial Group, Inc.* never addressed this prong of the test. In *State Street Bank & Trust Co.*, the court found that the "mathematical exception" using the Freeman-Walter-Abele test has little, if any, application to determining the presence of statutory subject matter but rather, statutory subject matter should be based on whether the operation produces a "useful, concrete and tangible result". See *State Street Bank & Trust Co.* at 1374. Furthermore, the court found that there was no "business method exception" since the court decisions that purported to create such exceptions were based on novelty or lack of enablement issues and not on statutory grounds. Therefore, the court held that "[w]hether the patent's claims are too broad to be patentable is not to be judged under §101, but rather under §§102, 103 and 112." See *State Street Bank & Trust Co.* at 1377. Both of these analysis goes towards whether the claimed invention is non-statutory because of the presence of an abstract idea. Indeed, *State Street* abolished the Freeman-Walter-Abele test used in *Toma*. However, *State Street* never addressed the second part of the analysis, i.e., the "technological arts" test established in *Toma* because the invention in *State Street* (i.e., a computerized system for determining the year-end income, expense, and capital gain or loss for the portfolio) was already determined to be within the technological arts under the *Toma* test. This dichotomy has been recently acknowledged by the Board of Patent Appeals and Interferences (BPAI) in affirming a

§101 rejection finding the claimed invention to be non-statutory. See *Ex parte Bowman*, 61 USPQ2d (BNA) 1669 (BdPatApp&Int 2001).

In the present application, Claims 1-6, 8-9, 12-19, 21 have no connection to the technological arts. None of the steps indicate any connection to a computer or technology. Therefore, the claims are directed towards non-statutory subject matter. To overcome this rejection the Examiner recommends that Applicant amend the claims to better clarify which of the steps are being performed within the technological arts; for example: computer, etc. which is/are supported by original specification

Claim Rejections - 35 USC § 112

2. The following is a quotation of the second paragraph of 35 U.S.C. 112:

The specification shall conclude with one or more claims particularly pointing out and distinctly claiming the subject matter which the applicant regards as his invention.

Claim 9 rejected under 35 U.S.C. 112, second paragraph, as being indefinite for failing to particularly point out and distinctly claim the subject matter which applicant regards as the invention.

In particular, claim 9, the phrase “and/or” renders the claims indefinite because, it is unclear whether the limitations following the phrase are part of the claimed invention. See MPEP § 2173.05(d). For purpose of examination only, Examiner assumes that the claim limitation is “or”.

Claim Rejections - 35 USC § 103

2. The following is a quotation of 35 U.S.C. 103(a) which forms the basis for all obviousness rejections set forth in this Office action:

(a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negated by the manner in which the invention was made.

Claims 1-24 are rejected under 35 U.S.C. 103(a) as being unpatentable over Cotton et al (hereinafter Cotton - US 6,076,074) in view of Riboud (US 6,269,345).

Re. Claim 1, Cotton discloses creating a payment instruction and a payment request that are associated with a common transaction request [Cotton– see entire document particularly, Abstract; Figures 2-3; C4 L23 to C5 L67]; communicating the payment request to a funds source associated with the source account; wherein: in accordance with the payment request, funds are transferred from the funds source to a treasury (FRB2) account if necessary to maintain a balance at the treasury account which is sufficient to cover an amount of the payment request, and funds at the treasury account are used to provide at least one of (a) a payment to [Cotton – C1 L48-L64; C2 L50 to C3 L15; C3 L65-67; C15 L12-L45; C16 L12-L39]. Cotton does not explicitly disclose communicating the payment instruction to the local currency account in the second country; and wherein the payment instruction designates a beneficiary account in the second country for the local currency account to transfer currency to, and a credit entry on behalf of, the local currency account in a currency of the second country. However Riboud discloses these steps [C1 L52 to C2 L45; C6 L35-L57; C7 L38-L53] to provide a

transfer system that can be used to regulate monetary flows in international transactions, this system enabling the transfer of quantities, measured in different local units of measurement, between a plurality of entities. It would have been obvious at the time the invention was made to a person having ordinary skill in the art to modify the disclosure of Cotton and include communicating the payment instruction to the local currency account in the second country; and wherein the payment instruction designates a beneficiary account in the second country for the local currency account to transfer currency to, and a credit entry on behalf of, the local currency account in a currency of the second country, as disclosed by Riboud, to provide a settlement system that sends a payment message to another participant incurs an obligation to pay the receiving participant the amount of the transfer.

Re. Claims 2-3, Cotton discloses wherein: the payment to the local currency account is provided by exchanging the funds at the treasury account for the currency of the second country, and transferring the exchanged funds to the local currency account, and wherein: the credit entry is provided by exchanging the funds at the treasury account for the currency of the second country, and making a credit entry for the exchanged funds in a general ledger on behalf of the local currency account [C16 L22-L67].

Re. Claim 4, Cotton discloses the communicating of the payment instruction to the local currency account is independent of the communicating of the payment request to the funds source [C1 L65 to C2 L15].

Re. Claim 5, Cotton discloses wherein: the funds source draws from the source account [C5 L48-L55].

Re. Claim 6, Cotton discloses wherein: the payment instruction identifies at least one of: a currency type of the first country, the source account, and a type of financial product associated with the transaction request [C1 L64 to C2 L30; C16 L12-L23].

Re. Claim 7, Cotton discloses wherein: the payment instruction and the payment request are created via user inputs to a computer-generated interface [C2 L3-L5].

Re. Claim 8, Cotton discloses validating transaction data associated with the payment instruction prior to communicating the payment instruction to the local currency account [C2 29-L50].

Re. Claims 9-11, Cotton discloses where in: the user is enabled to create the transaction request using a computer system [C2 L4-L5]. Riboud further discloses further comprising: determining an exchange rate to offer to a user that creates the transaction request for approval thereby prior to communicating the payment instruction to the local currency account, wherein the providing of the payment to, or credit entry on behalf of, the local currency account, is responsive to the exchange rate, the exchange rate is determined using data that is stored locally to the computer system, and wherein:

the user is enabled to create the transaction request using a computer system; and the exchange rate is dynamically determined through an external foreign exchange information service [Figures 3, 5; C1 L64 to C2 L9; C7 L60-L67; C5 L53-L65; C6 L65 to C11; C8 L48 to C9 L11] to determine the conversion operation to convert local unit (local currency) to second entity (foreign currency) and transfer the amount in different currency. Further, currency exchange is well known for example, American Express office around the US and overseas daily publish foreign exchange rate of major foreign currency for travelers to provide user with information what is the conversion rate, similarly major newspapers publish the currency exchange rate for different currency. It would have been obvious to one of ordinary skill in the art at the time the Applicant's invention was made to combine disclosures Cotton and Riboud to provide foreign currency conversion rate and means to transfer currency at market rate.

Re. Claim 12, Cotton discloses further comprising: querying the funds source to determine if there are sufficient funds thereat to fund the payment request [C2 L29-L41].

Re. Claim 13, Cotton discloses further comprising: debiting the source account according to the amount of the payment request [C7 L41-L46].

Re. Claim 15, Cotton discloses wherein: the currency of the local currency account is transferred therefrom to the beneficiary account via at least one intermediary financial institution in the second country [C1 L48-L54].

Re. Claims 14 and 16, neither Cotton nor Riboud explicitly discloses wherein: the currency of the local currency account is transferred directly therefrom to the beneficiary account without passing through an intermediary financial institution, and wherein: the local currency account comprises a Nostro account. However, Nostor accounts (Correspondent account) are well known where account is a demand deposit account or a current account, deposited by a local bank with the foreign bank in the currency of the country where the money is held. It would have been obvious to one of ordinary skill in the art at the time the Applicant's invention was made to modify disclosures Cotton and Riboud and include Nostro accounts in order to make payments in the local currency via the local payment system without intermediary.

Re. Claims 17 and 18, Cotton discloses wherein: the payment is provided to the local currency account in lieu of providing the credit entry on behalf of the local currency account according to the amount of the payment request [C8 L60 to C9 L15] and wherein: the payment is provided to the local currency account in lieu of providing the credit entry on behalf of the local currency account according to a risk profile associated with the payment request [C8 L47-L59].

Re. Claim 19, Cotton discloses wherein: the funds from the funds source are transferred to the treasury account via a clearing account [C3 L25-L76; C1 L37-L48].

Re. Claim 20, Cotton discloses wherein: the payment instruction is communicated to the local currency account in the second country via a financial interchange network [C5 L30-L46].

Re. Claim 21, Cotton further comprising: enabling tracking (convey information) of the transaction request by a user (operator) [C2 L7-L14; C21 L48-L67].

Re. Claims 22, neither Cotton nor Riboud explicitly discloses, wherein: enabling a user to create the transaction request using a browser-compatible interface running on a computer system. However, browsers such as Netscape and Explorer are well known where user can utilize either one of them to log to a financial institution website and transfer money, check account, etc. It would have been obvious to one of ordinary skill in the art at the time the Applicant's invention was made to modify disclosures Cotton and Riboud and include user interface which uses compatible browser that will allow the user to use any type of personal computer, work station or operating system for doing business without relying on expensive specialized software.

Re. Claims 23-24, limitations of claims 23 and 24 are substantially similar to claim 1, therefore claims 23 and 24 are rejected with same rational as claim 1.

Claims 25-28 are rejected under 35 U.S.C. 103(a) as being unpatentable over Riboud in view of Jennings et al (hereinafter Jennings – US 5,659,165).

Re. Claim 25, Riboud discloses information from a user for identifying the user and for identifying at least one account from which funds may be drawn when an international payment transaction is executed, creating a record having the information for identifying the user and for identifying the at least one account [C6 L35-L57; C7 L38-L66]. Riboud does not explicitly disclose assigning an identifier for the record to enable retrieval of the record for customizing the computerized user interface to enable the user to make an international payment transaction upon a subsequent access of the system by the user, and during an initialization access session of an international payment transaction system by a user, receiving, via a computerized user interface. However, Jennings discloses these steps [Abstract; Figures 4 (#72), 6, C1 L62 to C2 L29; C2 L6 L33-L62; C8 L28-L52] to provide interactive display screen and data input function. It would have been obvious at the time the invention was made to a person having ordinary skill in the art to modify the disclosure of Riboud and include user interface to enter his/her information (card) and PIN, as disclosed by Jennings, to access the system and initiate transferring foreign exchange.

Re. Claim 26, Jennings further discloses wherein: the customized computerized user interface enables the user to make an international payment transaction without having to re-enter the information for identifying the at least one account, and communicating with an institution at which the account is held to verify the at least one account [C1 L40-L62; C2 L30-L50; C8 L28-L37] to initiate transaction without entering account

number. It would have been obvious at the time the invention was made to a person having ordinary skill in the art to modify the disclosure of Riboud and include user interface enabling the user to initiate transaction without entering customer number, as disclosed by Jennings, to use his/her card for transaction without inputting manually account information.

Re. Claim 28, neither Riboud nor Jennings discloses further comprising: communicating with a credit-reporting bureau to obtain an indication of a credit worthiness of the user. However this step is well known, for example, if customer does not have enough deposit in his/her account or special arrangement with his/her financial institution (such as over draft) the transaction can not go through or his/her credit card does not have adequate limit to cover the transaction, the transaction is denied. It would have been obvious at the time the invention was made to a person having ordinary skill in the art to modify the disclosure of Riboud and Jennings and include communicating with a credit-reporting bureau to obtain an indication of a credit worthiness of the user to protect the financial institution from loss and fraud.

Conclusion

Claims 1-28 are rejected.

Any inquiry concerning this communication or earlier communications from the examiner should be directed to Harish T Dass whose telephone number is 703-305-4694. The examiner can normally be reached on 8:00 AM to 4:50 PM.

If attempts to reach the examiner by telephone are unsuccessful, the examiner's supervisor, Hyung S Sough can be reached on 703-308-0505. The fax phone number for the organization where this application or proceeding is assigned is 703-872-9306.

Information regarding the status of an application may be obtained from the Patent Application Information Retrieval (PAIR) system. Status information for published applications may be obtained from either Private PAIR or Public PAIR. Status information for unpublished applications is available through Private PAIR only. For more information about the PAIR system, see <http://pair-direct.uspto.gov>. Should you have questions on access to the Private PAIR system, contact the Electronic Business Center (EBC) at 866-217-9197 (toll-free).

Harish T Dass
Examiner
Art Unit 3628

3/21/05

Harish T Dass